

## Message Text

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44

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

SP-02 AID-05 EB-07 NSC-05 CIEP-02 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-07

NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04 SIL-01 L-03 H-02

PA-02 PRS-01 ABF-01 FSE-00 PC-05 AGR-10 /115 W

----- 076916

O R 161458Z JUL 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 1882

INFO AMEMBASSY ASUNCION

AMEMBASSY MONTEVIDEO

AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

AMEMBASSY LA PAZ

UNCLAS BUENOS AIRES 4720

PASS TREASURY AND COMMERCE

E. O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: ARGENTINA DEVALUES AGAIN

1. JULY 15 GOA ANNOUNCED NEW DEVALUATION OF PESO, SECOND IN  
LESS THAN SIX WEEKS. FINANCIAL RATE MOVED FROM \$30.00  
PESOS PER DOLLAR TO \$35.40 PESOS PER DOLLAR (18 PERCENT),  
COMMERCIAL RATE RAISED FROM \$26.00 PESOS PER DOLLAR TO  
\$28.08 PESOS PER DOLLAR (8 PERCENT), WHILE TOURIST RATE  
DEVALUED FROM \$41.00 PESOS PER DOLLAR TO \$50.00 PESOS  
PER DOLLAR (22 PERCENT). SPECIAL \$4.00 PESO PER DOLLAR  
TOURIST TAX RETAINED BRINGING TOURIST RATE TO \$54.00 PESOS  
PER DOLLAR. IN ADDITION, SHIFTS IN NOMINAL RATE, VARIETY OF  
PRODUCTS MOVED FROM COMMERCIAL TO FINANCIAL RATE AND TAX  
AND SUBSIDY SYSTEM REVISED.

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2. ANNOUNCEMENT OF DEVALUATION MADE BY SECRETARY EXTERNAL  
COMMERCE HERNAN ALDABE AND SECRETARY CO-ORDINATION  
RICARDO ZINN. ZINN EMPHASIZED MAJOR PURPOSE OF  
DEVALUATION WAS TO REVERSE DOWNWARD TREND GROSS RESERVES  
AND IMPROVE ARGENTINA'S POSITION TO NEGOTIATE NEW  
EXTERNAL CREDITS. ALDABE SAID GOA WOULD CONTINUE ADJUST  
EXCHANGE RATE FLEXIBLY IN FUTURE ACCORDING INTERNAL PRICE  
INCREASES.

3. ANALYSIS AND REACTION FOLLOW SEPTTEL.  
HILL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEVALUATIONS, FOREIGN EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BUENOS04720  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750245-0990  
**From:** BUENOS AIRES  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750748/aaaabqsp.tel  
**Line Count:** 72  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 FEB 2003 by ThomasVJ>; APPROVED <16 MAR 2004 by greeneet>  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ARGENTINA DEVALUES AGAIN  
**TAGS:** EFIN, AR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006